

## ABSTRACT

An automated banking machine (10) includes a deposit accepting apparatus (44) which is capable of accepting and authenticating instruments, as well as accepting envelopes deposited into the machine by a user. A transport section (46) is operative to engage and transport deposited items selectively from an inlet (48) to an outlet (50). A deposit holding module (90) includes compartments (98, 106) which are operative to hold different types of deposits. The machine operates to selectively move a compartment into communication with the outlet based on the particular type of item being deposited. The depository apparatus is further operative to acquire image and magnetic profile data from deposited instruments, to manipulate the image and profile data and to analyze and resolve characters in selected areas thereof. The data from deposited instruments is used for determining if a user is authorized to conduct certain requested transactions at the machine.